

Grantee: Cincinnati, OH

Grant: B-08-MN-39-0003

July 1, 2009 thru September 30, 2009 Performance Report

Grant Number:

B-08-MN-39-0003

Obligation Date:**Grantee Name:**

Cincinnati, OH

Award Date:**Grant Amount:**

\$8,361,592.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

Brandy McQueary

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

The City of Cincinnati is made up of 52 neighborhoods, all of which have been impacted by the foreclosure crisis. The City will focus its efforts on 10 of the neighborhoods most impacted which include the following: East Price Hill, West Price Hill, Avondale, Westwood, Northside, Evanston, College Hill, South Fairmont, Bond Hill, and Madisonville. The City used the following data to determine the areas of focus: HMDA high cost loan rate, City data on foreclosures in 2006 and 2007 based on the county Auditor's website, City data on vacant buildings, and City data on bank-owned buildings. Each of the neighborhood groups was ranked based on those factors. These ranks were then combined through a weighted formula in which a neighborhood's rank was given the following weight for each factor: - 70% City data on foreclosures in 2006 and 2007 based on the county Auditor's website - 10% HMDA high cost loan rate - 10% City data on vacant buildings - 10% City data on bank-owned buildings. In sum the neighborhoods selected had a total of 2,021 foreclosures in 2006 and 2007, or 66.5% of all foreclosures reported citywide. The neighborhoods had HMDA high cost loan rates ranging from 66% to 13%. A total of 738 vacant buildings, or 44.3% of all vacant buildings in the City, were reported in these neighborhoods. In addition, 639 bank owned buildings, or 60.6% of all bank owned buildings in the City, are in these ten neighborhoods.

Distribution and Uses of Funds:

As described in the section above, the City of Cincinnati examined the following criteria: City data on foreclosures in 2006 and 2007 based on the county Auditor's website; HMDA high cost loan rate; City data on vacant buildings; and City data on bank-owned buildings. These criteria showed that throughout the City, but in particular the ten neighborhoods of greatest need, the City would benefit from redevelopment of foreclosed homes and elimination of blighted buildings. In order to accomplish this the City intends to focus its Neighborhood Stabilization Resources on the following eligible uses, funded at the following levels: Eligible Use Total Allocation (A) Establish Financing Mechanisms \$812,500 (B) Acquisition and Rehabilitation \$2,231,400 (C) Establish Land Banks \$0 (D) Demolition \$2,381,533 (E) Redevelopment \$2,100,000 Planning and Administration \$836,159 TOTAL FUNDING \$8,361,592

Definitions and Descriptions:

Blighted Structure: The City's definition of "blighted structure" in the Cincinnati Municipal Code is provided below.

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>Sec. 727-1-B. Blighted Premises. "Blighted premises" shall mean premises which because of their age, obsolescence, dilapidation, deterioration, lack of maintenance or repair or any combination thereof constitute a serious fire hazard, a serious health hazard, a substantial and unreasonable interference with the reasonable and lawful use and enjoyment of other premises within the neighborhood or a factor seriously depreciating property values in the neighborhood.

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>Affordable Rents: The City of Cincinnati will define "affordable rents" for the Neighborhood Stabilization Program using the Low HOME rents definition as stated in the Building HOME training manual. This citation is below.

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>Units must have rents which are no greater than: Thirty (30) percent of the tenant's monthly adjusted income, OR thirty (30) percent of the annual income of a family whose income equals 50 percent of median income (Low HOME Rent), OR if a project has a federal or state project-based rental subsidy and the tenant pays no more than 30 percent of his or her adjusted income toward rent, the maximum rent may be the rent allowable under the project-based rental subsidy program.

Continued Affordability: When Neighborhood Stabilization Program (NSP) funds are used to develop affordable rental housing in the City of

Cincinnati, a Compliance Period is established at project completion and is based on the number of assisted units developed and the amount of NSP funding invested. This period will range from 5 to 20 years based on the amount of NSP funds invested per unit, and following the HOME regulations for the affordability period. Maximum rent levels will be established annually using the HIGH HOME RENT LIMIT as published by HUD in the HOME Program Rents schedule. The City of Cincinnati reserves the right to impose lower Maximum Rents ("Low HOME Rent Limit") in units designated to serve households that are at or below 50% of the Area Median Income. In that Compliance Period, tenant rents will be monitored in a way similar to the method used by the City to monitor HOME funds. Tenant Leases will be reviewed to insure language that is not applicable has been removed. Tenant rents will be monitored annually during the affordability period to ensure compliance. The City will determine if properties are in compliance by conducting desk audits of signed self-certifications, on-site visits, and tenant file reviews. On smaller projects, the City will assess 100% of the tenants occupying NSP assisted units to verify that tenant rents and income meet program requirements. Projects consisting of approximately 25 units or more are evaluated by randomly selecting at least 20% of the NSP-assisted units. A correction period will be noted to allow property management opportunities to correct any findings or concerns. Owners who do not meet the NSP requirements within the remediation period will be referred to the Law Department for legal action. In addition, owners who have not resolved compliance violations will be excluded from participating in other City housing programs until they have corrected the deficiencies and remained in compliance for a year.

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Low Income Targeting:

HUD requires Grantee to identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income. At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income (\$2,100,000).

The City of Cincinnati intends to use approximately \$2,345,000 of its grant funds to benefit individuals or families whose incomes do not exceed 50 percent of area median income. City anticipates directing these resources towards the rehabilitation of affordable rental units.

Acquisition and Relocation:

Acquisition and relocation. The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.

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>The City of Cincinnati plans to demolish and potentially convert low- and moderate-income dwelling units through the Neighborhood Stabilization Program. Specifically, the City of Cincinnati expects to demolish 150 housing units. The City projects that each of those units could have housed individuals with incomes less than or equal to 80% of area median income. The number of new housing opportunities made available to individuals with incomes less than or equal to 120% of area median income will total 50. The number of dwelling units expected to become available for households whose income does not exceed 50 percent of area median income, is 24. For specific assumptions on subsidies provided through each type of activity, please refer to the activity descriptions.

Public Comment:

Citizen Participation. The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.

Public Hearings on Proposed 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program

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>The City of Cincinnati held four public hearings on the 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program. The first was held in City Council Chambers on October 9, 2007. A notice of this public hearing appeared in the Cincinnati Enquirer, the newspaper of general circulation, on October 1, 2008, and in the City Bulletin on October 7, 2008. In addition, notice of the public hearing was e-mailed to all 52 of the City's neighborhood Community Councils. The second public hearing was held on Monday October 13, 2008. This hearing was organized by City Council member Jeff Berding. His office provided email notification of the meeting to relevant parties. The final two public hearings on the Neighborhood Stabilization Program were part of regular Cincinnati City Council Finance Committee meetings on November 17, 2008 and November 24, 2008.

Publication for 15-day Comment Period

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>As of November 13, 2008, the City published the 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program for a 15-day comment period. The Proposed 2008 Action Plan Amendment was made available for citizen review online at <http://www.cincinnati-oh.gov/cmgr/pages/-12848-/>, and in the Office of Budget and Evaluation, City Hall, 801 Plum Street, Cincinnati. A paid advertisement notifying the public of the availability of the 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program budget was run on October 1, 2008 in the Cincinnati Enquirer, a widely distributed newspaper. Notice was also placed on the City Cable Bulletin Board, run in the City Bulletin on October 7, 2008. The 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program was made available to all interested parties, in both electronic and paper format, who request one by calling the Office of Budget and Evaluation, 352-3232. In finalizing its 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program, the City considered comments received from citizens at the public hearings or in writing 15 days after the publication of the 2008 Action Plan Substantial Amendment for the Neighborhood Stabilization Program. In general comments received either advocated for the funds to be used for a particular type of activity, such as blight removal or rehabilitation. The City also received comments from individuals advocating for funds to be allocated to their neighborhood. The City's plan allocates resources to both rehabilitation activities as well as blight removal activities. Further, the 2008 Action Plan Substantial Amendment provides a

detailed explanation of how neighborhoods of greatest need were determined. The City intends to focus resources in those neighborhoods based on the proposals that come forth from organizations within the neighborhoods. The City has provided a summary of public comments and other relevant public notice materials in Attachment C of the Amendment document.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$8,361,592.00
Total CDBG Program Funds Budgeted	N/A	\$8,361,592.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$7,600.00	\$843,759.00
Program Funds Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$1,254,238.80	\$0.00
Limit on Admin/Planning	\$836,159.20	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$2,090,398.00	\$2,393,314.00

Overall Progress Narrative:

HUD executed the NSP grant agreement with the City of Cincinnati on March 17, 2009. The eighteen-month NSP obligation deadline is September 16, 2010. All NSP project activities are to be completed by December 17, 2012. Since the previous NSP Quarterly Report was submitted, NSP Subrecipient Agreements have been executed with eight nonprofit Subrecipients. Staff anticipate that a final Development Agreement, with a local for-profit NSP partner, will be executed by the conclusion of the Fourth Quarter. The City is actively moving forward with the NSP Affordable Housing Project, the NSP Purchase and Redevelopment Project, and the NSP Hazard Abatement and Demolition Project.

In reference to the City's NSP Affordable Housing Project, the Legal Department, in conjunction with Real Estate and Community Development staff have expended significant effort to acquire four contiguous multi-family units in foreclosure. Staff anticipate closing on these units at the start of the Fourth Quarter. These units will be

redeveloped to create twenty-four units of affordable housing for low-income senior residents of the Evanston community.

Local Community Urban Redevelopment Corporations have been working throughout the Third Quarter to identify foreclosed or abandoned residential units within their neighborhoods to acquire and rehab. Staff anticipates that these organizations, as NSP Subrecipients, will be under contract for ten units by the close of the Fourth Quarter. The NSP Hazard Abatement and Demolition Project provides funds to demolish blighted structures. Under the Demolition Program, condemned buildings are demolished after standard code enforcement activities have been exhausted. At the close of the Third Quarter, within areas targeted as greatest need: sixty-nine additional properties have been condemned; fifty-three buildings have been declared blighted through a public nuisance hearing; fifty units are under contract for Demolition; and eleven units have been demolished with NSP funds. In total, two hundred forty-three buildings, across ten communities, are being processed through the NSP Hazard Abatement and Demolition Program.

At the close of the second full quarter after executing a grant agreement with HUD, the City of Cincinnati is vigorously moving forward with an identified NSP Program. The City is on target to fully obligate and expend funds within program guidelines.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
90001, NSP1 Financing Mechanisms	\$0.00	\$812,500.00	\$0.00
90002A, NSP1 Purchase & Rehabilitation Project	\$0.00	\$2,156,968.00	\$0.00
90002B, NSP1 Purchase and Redevelopment Project	\$0.00	\$0.00	\$0.00
90003, NSP1 Redevelopment - 25% Set Aside - Affordable	\$0.00	\$2,100,000.00	\$0.00
90004, NSP1 Hazard Abatement & Demolition	\$0.00	\$2,455,965.00	\$0.00
90005, NSP1 Administration	\$0.00	\$836,159.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number: 4-167001

Activity Title: Cancelled

Activity Category:

Clearance and Demolition

Project Number:

90004

Projected Start Date:

03/17/2009

Benefit Type:

N/A

National Objective:

NSP Only - LMMI

Activity Status:

Cancelled

Project Title:

NSP1 Hazard Abatement & Demolition

Projected End Date:

03/17/2013

Completed Activity Actual End Date:

Responsible Organization:

City of Cincinnati

Overall

Jul 1 thru Sep 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Cancelled

Location Description:

Cancelled

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/1

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: 4-167037

Activity Title:

Activity Category:

Clearance and Demolition

Project Number:

90004

Projected Start Date:

06/30/2009

Benefit Type:

N/A

National Objective:

NSP Only - LMMI

Activity Status:

Cancelled

Project Title:

NSP1 Hazard Abatement & Demolition

Projected End Date:

02/28/2013

Completed Activity Actual End Date:

Responsible Organization:

City of Cincinnati

Overall

Jul 1 thru Sep 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$7,600.00	\$7,600.00
Program Funds Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Cancelled

Location Description:

Cancelled

Activity Progress Narrative:

The demolition of this residential building is moving forward. The contract has been let and work has begun. The City is expects the demolition to be finalized in the next few weeks.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/0

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

Address	City	State	Zip
3340 Spokane	Cincinnati	NA	45207-

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	
